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Underemployed workers

Employed people who want to work more hours or worked reduced hours, including preferred hours and usual hours not worked, and underemployment ratios.

Reference period February 2021

Released 7/07/2021

On this page

[Key statistics](#)

[Underemployment](#)

[Sex and Age](#)

[Full-time / part-time status](#)

[Preferred hours](#)

[Occupation](#)

[Industry](#)

[Part-time employed who prefer more hours](#)

[Data downloads](#)

[Post release changes](#)

[Methodology](#)

Key statistics

In February 2021:

- 1.6 million people (12% of employed) wanted to work more than their usual hours.
- 550,000 people (4% of employed) worked fewer than their usual hours for economic reasons.
- Underemployment ratio was 14.6%.
- Hours-based (volume) underemployment ratio was 5.3%.

This new Underemployed workers release uses data from Tables 24 and 25 of the monthly Labour Force release, supplemented with data on part-time underemployed from the annual [Participation, Job Search and Mobility \(/statistics/labour/employment-and-unemployment/participation-job-search-and-mobility-australia/feb-2021\)](#) survey (collected with the Labour Force Survey in February). Other data from Participation, Job Search and Mobility are published in:

- [Job mobility \(/statistics/labour/employment-and-unemployment/job-mobility/feb-2021\)](#)
- [Potential workers \(/statistics/labour/employment-and-unemployment/potential-workers/feb-2021\)](#)

Comparison with underemployment measures in Labour Force, Australia

The headline underemployment estimates published in [Labour Force, Australia \(/statistics/labour/employment-and-unemployment/labour-force-australia/feb-2021\)](#), which are based on long-standing international standards, include two groups: part-time employed who would prefer, and are available for, more hours than they usually work, plus full-time employed who worked part-time hours for economic reasons.

There has been increasing interest in all dimensions of underemployment, including understanding and distinguishing between the extent of involuntary short-term changes on people's usual working hours and broader hours preferences.

In July 2014, the ABS began asking underemployment-related questions of all employed people in the Labour Force Survey. This has enabled the ABS to continue to produce the longstanding headline underemployment estimates in Tables 22 and 23 of the Labour Force release, and also to produce new expanded statistics in Tables 24 and 25.

This release presents person and hours-based data on all full-time and part-time underemployed (ie. the expanded scope of Tables 24 and 25 of the Labour Force release), including whether they were underemployed because:

- they had their hours reduced (e.g. they were stood down or their employer had insufficient work for them); or
- they had a preference to work more hours than they usually work.

Underemployment

Employed people can be underemployed either because:

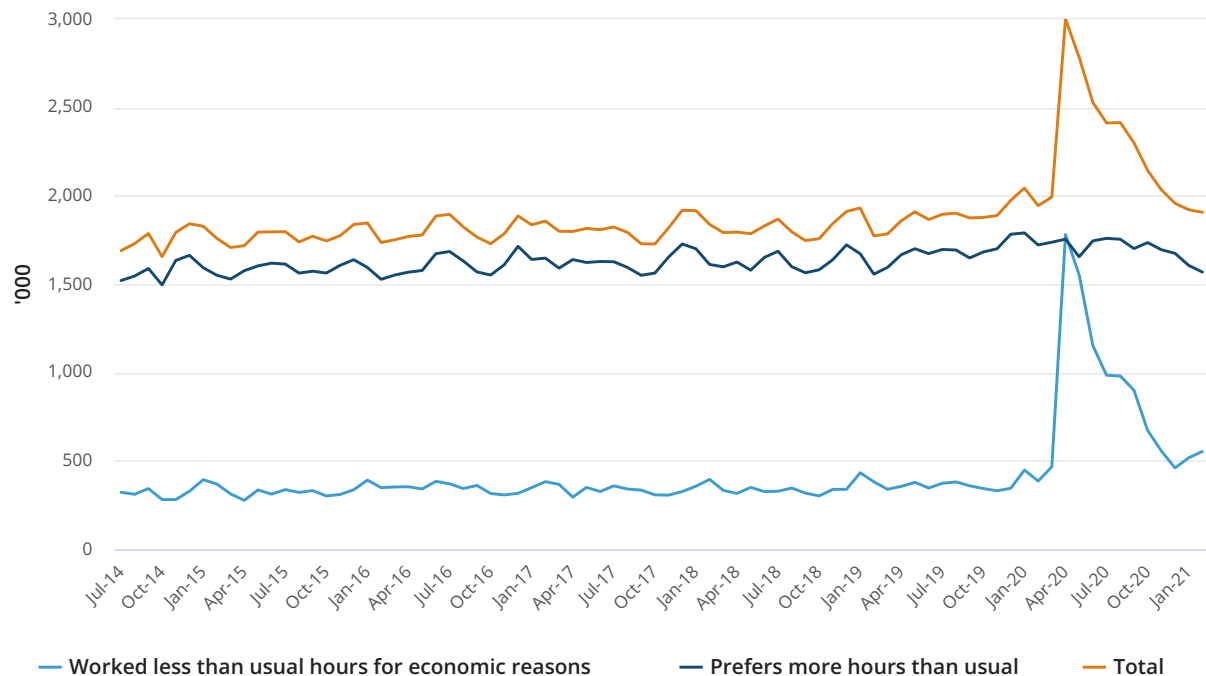
- they worked less than their usual hours for economic reasons (i.e. due to being 'stood down, or there was insufficient or no work available - Hours reduced (sometimes referred to as the 'Cyclical underemployed')
- they would prefer (and are available) to work more hours than they usually work - Prefers more hours (sometimes referred to as the 'Structural underemployed')

Of the 13 million employed people in February 2021, 1,907,400 were underemployed. Of these:

- 553,400 people had their hours reduced - 239,000 were employed full-time and 314,000 employed part-time
- 1,569,000 people preferred more hours - 584,300 were employed full-time and 984,700 employed part-time

There were 215,000 people who were in both categories - they had their hours reduced to less than usual and also preferred to work more than usual hours.

Chart 1: Underemployed workers, Original



Note: There are people who preferred more hours and also had their hours reduced, that is, they worked less hours than usual, and also prefer to work more than their usual hours - so the sum of the people who preferred more hours and people who had their hours reduced does not equal the total underemployed.
Source: Labour Force, Australia Table 24, Labour Force, Australia, Detailed Data CubeEM2a and Labour Force Survey unpublished data

While Chart 1 shows a 'headcount measure' of underemployment (the number of people who are underemployed) an alternative way to look at underemployment is through a 'volume measure' of underemployment - the number of 'hours not worked' by underemployed people.

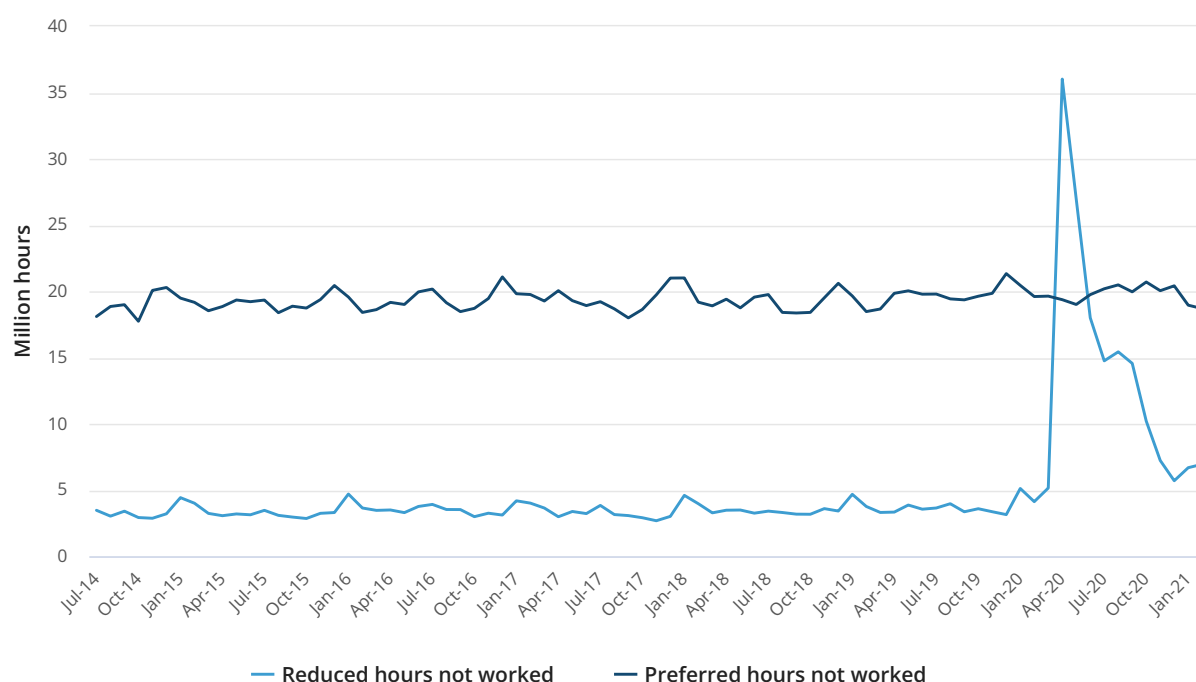
Chart 2 shows the weekly hours not worked of underemployed people. The weekly hours not worked are:

- the number of additional hours they would prefer, and are available, to work (preferred more hours)
- the difference between usual hours and the hours actually worked in the reference week (hours reduced)

In February 2021, there were a total of 25.6 million hours not worked. Of these:

- 18.7 million hours were not worked by people who preferred more hours - i.e. the additional hours preferred
- 6.9 million hours were not worked by people who had their hours reduced - i.e. the usual hours not worked for economic reasons

Chart 2: Weekly hours not worked, Underemployed workers, Original

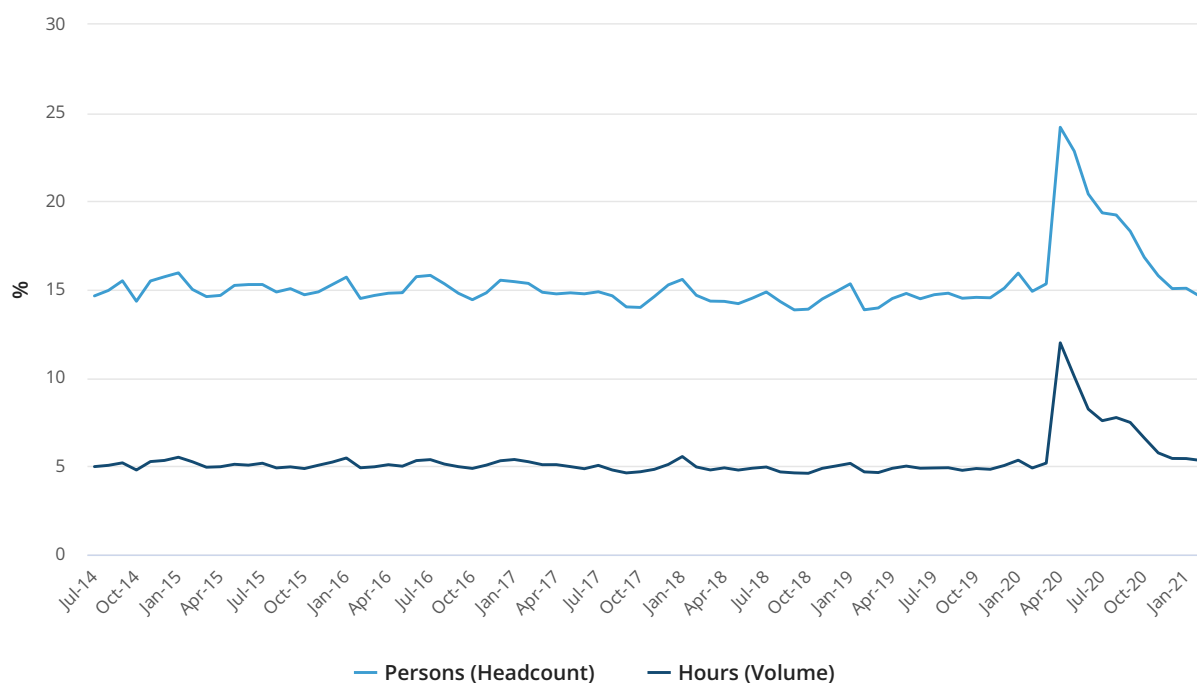


Hours not worked by people who had their hours reduced is the difference between their usual hours and the hours actually worked in the reference week, and the hours not worked by people who preferred more hours is the additional hours preferred.

Source: Labour Force, Australia Table 24 and Labour Force Survey unpublished data

In February 2021, the headcount underemployment ratio was 14.6% while the hours-based underemployment ratio was considerably lower at 5.3%.

Chart 3: Underemployment ratio, Headcounts and Hours, Original

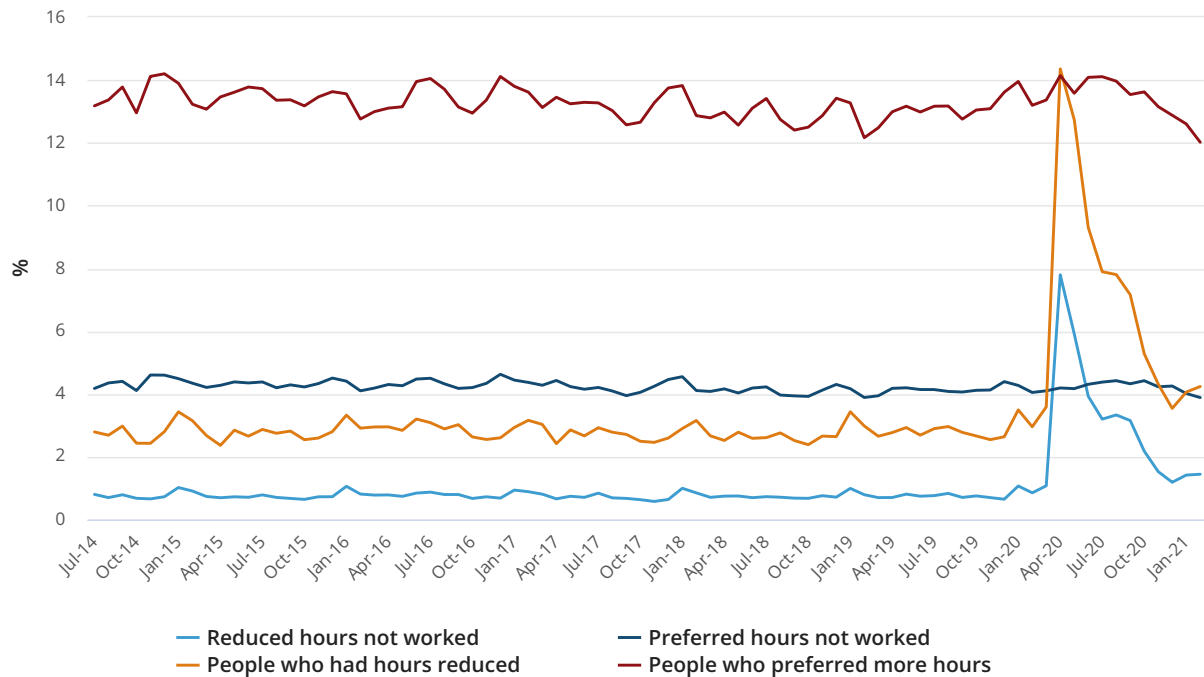


The headcount underemployment ratio is the number of underemployed as a proportion of all employed. The hours-based underemployment ratio is the hours not worked as a proportion of the potential hours of employed people (i.e. the hours usually worked of all employed plus the additional hours preferred of the structurally underemployed).

Source: Labour Force, Australia Table 24 and Labour Force, Australia, Detailed Data CubeEM2a

Hours-based measures of underemployment are generally lower than headcount measures, as the hours-based measures account for the extent of a person's underemployment whereas a headcount measure counts all underemployed people the same.

Chart 4: Underemployment ratio, Original

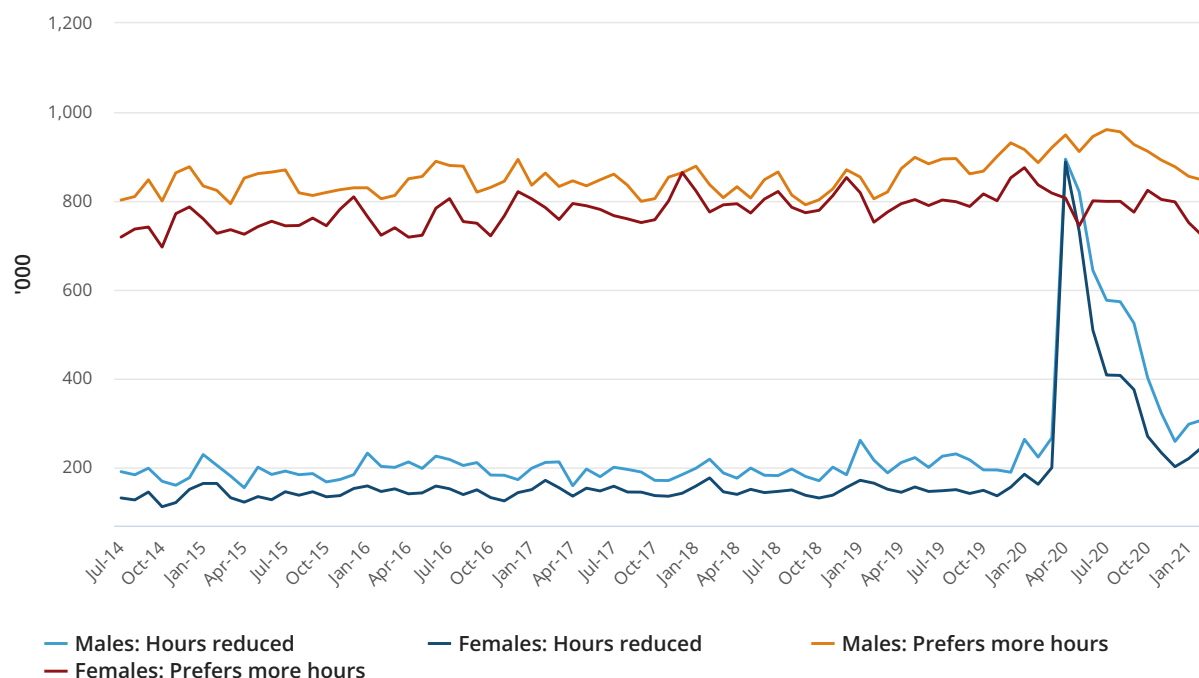


The headcount underemployment ratio is the number of underemployed as a proportion of all employed. The hours-based underemployment ratio is the hours not worked as a proportion of the potential hours of employed people (i.e. the hours usually worked of all employed plus the additional hours preferred by the structurally underemployed).

Source: Labour Force, Australia Table 24 and Labour Force Survey unpublished data

Sex and Age

Chart 5: Underemployed workers, by Sex, Original

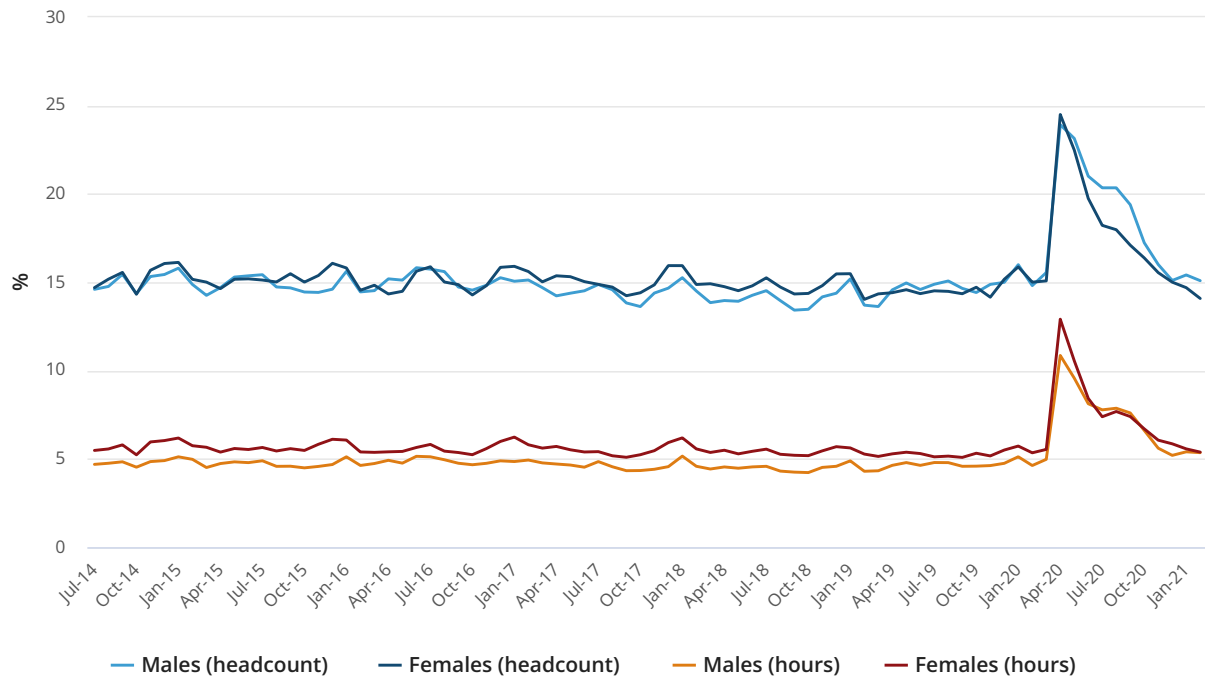


Note: There are people who preferred more hours and also had their hours reduced, that is, they worked less hours than usual, and also prefer to work more than their usual hours - so the sum of the people who preferred more hours and the people who had their hours reduced does not equal the total underemployed.

Source: Labour Force, Australia Table 24 and Labour Force, Australia, Detailed Data CubeEM2a

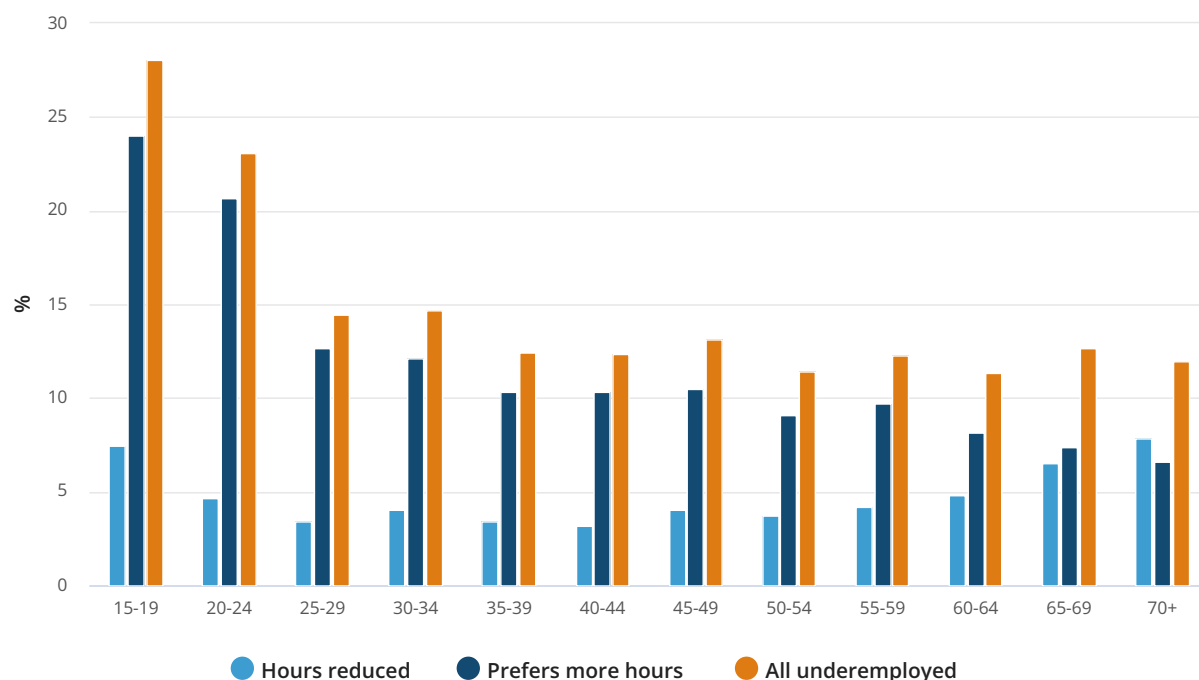
In February 2021, 14.6% of all employed people were underemployed (the underemployment ratio). Since July 2014 (the first month this expanded data are available for), employed women have generally been slightly more likely to be underemployed than men. However, since the start of the COVID-19 pandemic the underemployment ratio has been higher for men.

Chart 6: Underemployment ratio, by Sex, Original



Source: Labour Force, Australia Table 24 and Labour Force, Australia, Detailed Data CubeEM2a

Chart 7: Underemployment ratio, By Age, February 2021, Original



Note: There are people who preferred more hours and also had their hours reduced, that is, they worked less hours than usual, and also prefer to work more than their usual hours - so the sum of the people who preferred more hours and the people who had their hours reduced ratio does not equal the total underemployment ratio.

Source: Labour Force Survey unpublished data

Full-time / part-time status

Chart 8 shows the number of part-time and full-time employed people who are cyclically or structurally underemployed. In February 2021, there were 761,100 underemployed full-time workers and 1,145,700 underemployed part-time workers.

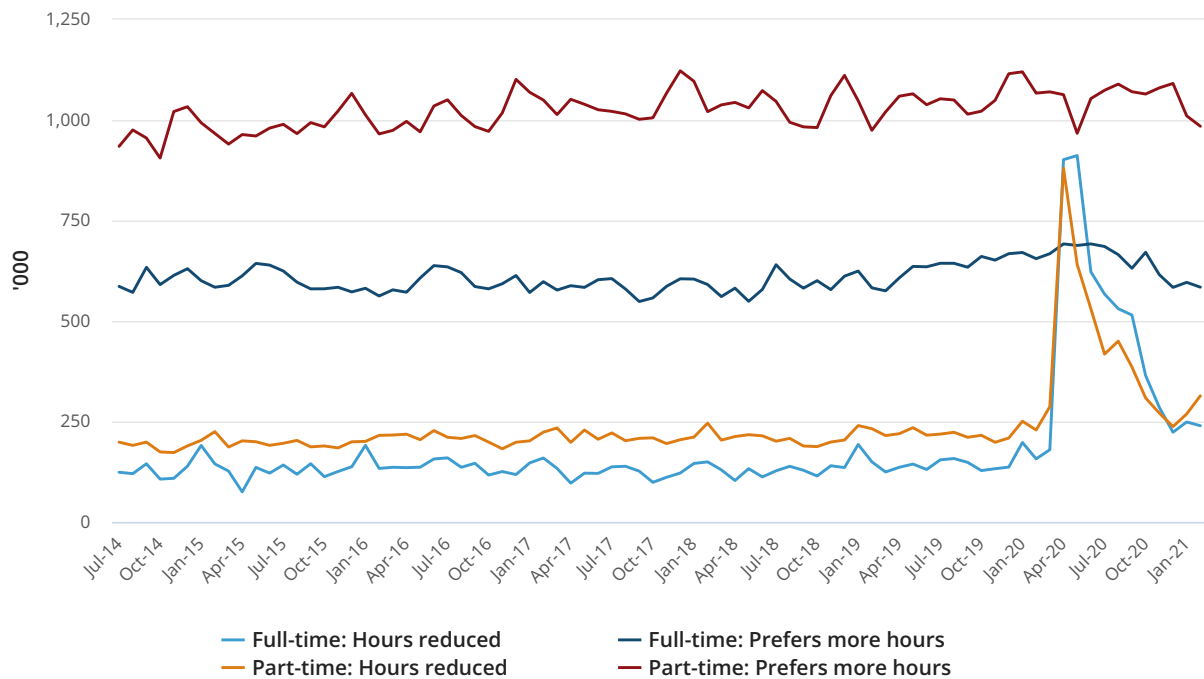
Of the underemployed full-time workers:

- 239,000 had their hours reduced
- 584,300 preferred more hours

Amongst underemployed part-time workers:

- 314,000 had their hours reduced
- 984,700 preferred more hours

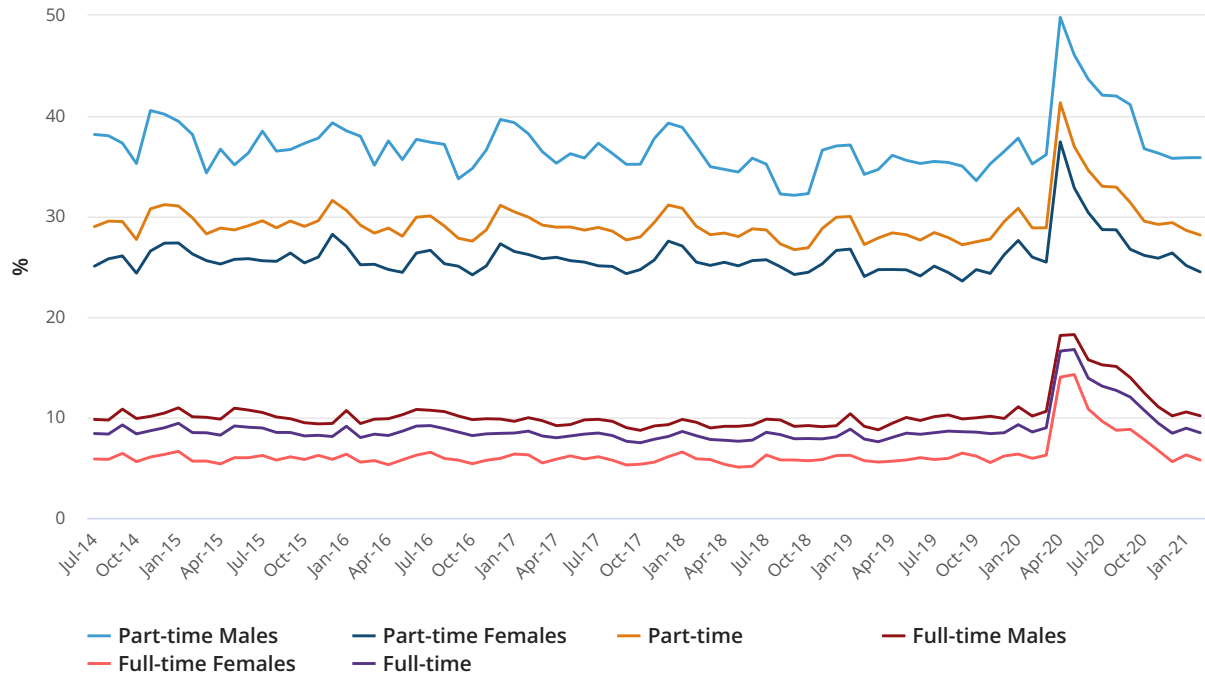
Chart 8: Underemployed workers, by Full-time and part-time status, Original



Note: There are people who preferred more hours and also had their hours reduced, that is, they worked less hours than usual, and also prefer to work more than their usual hours - so the sum of the people who preferred more hours and the people who had their hours reduced does not equal the total underemployed.

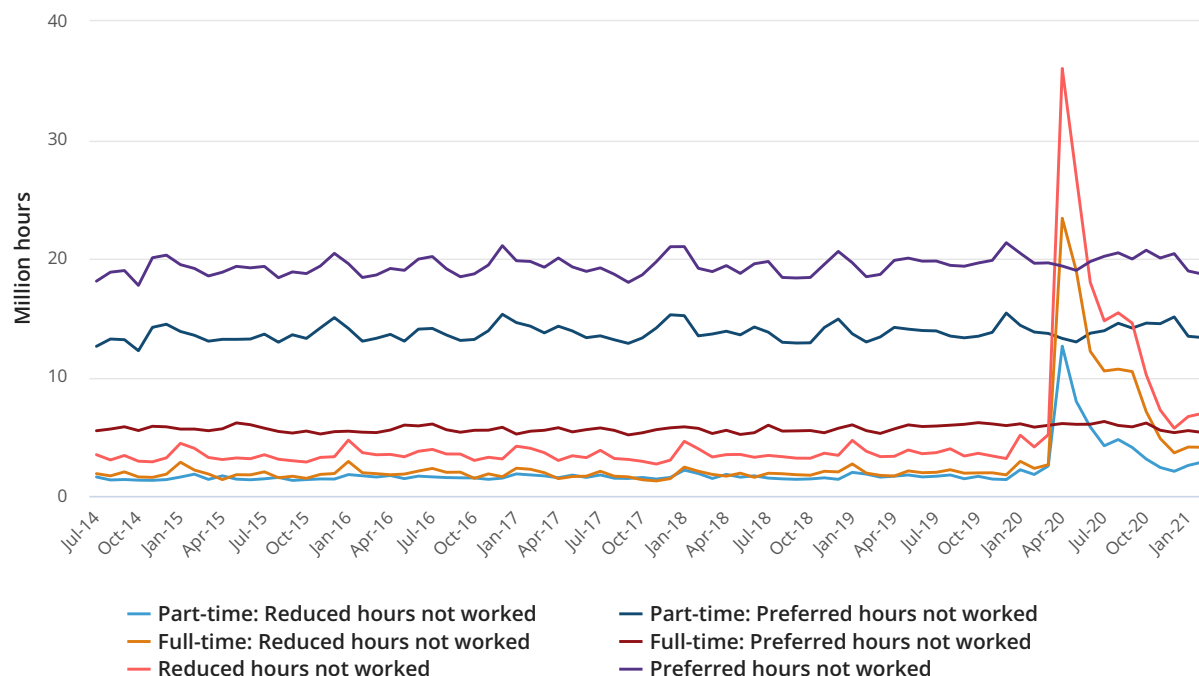
Source: Labour Force, Australia Table 24 and Labour Force, Australia, Detailed Data CubeEM2a

Chart 9: Full-time and part-time underemployment ratio, by Sex, Original



Source: Labour Force, Australia Table 24 and Labour Force, Australia, Detailed Data CubeEM2a

Chart 10: Weekly hours not worked, Underemployed workers, Original



Hours not worked by people who had their hours reduced is the difference between usual hours and the hours worked in the reference week, and the hours not worked by people who preferred more hours is the additional hours preferred.

Source: Labour Force, Australia Table 24 and Labour Force Survey unpublished data

Preferred hours

People who were underemployed in February 2021 because they preferred to work more hours than their usual hours, on average:

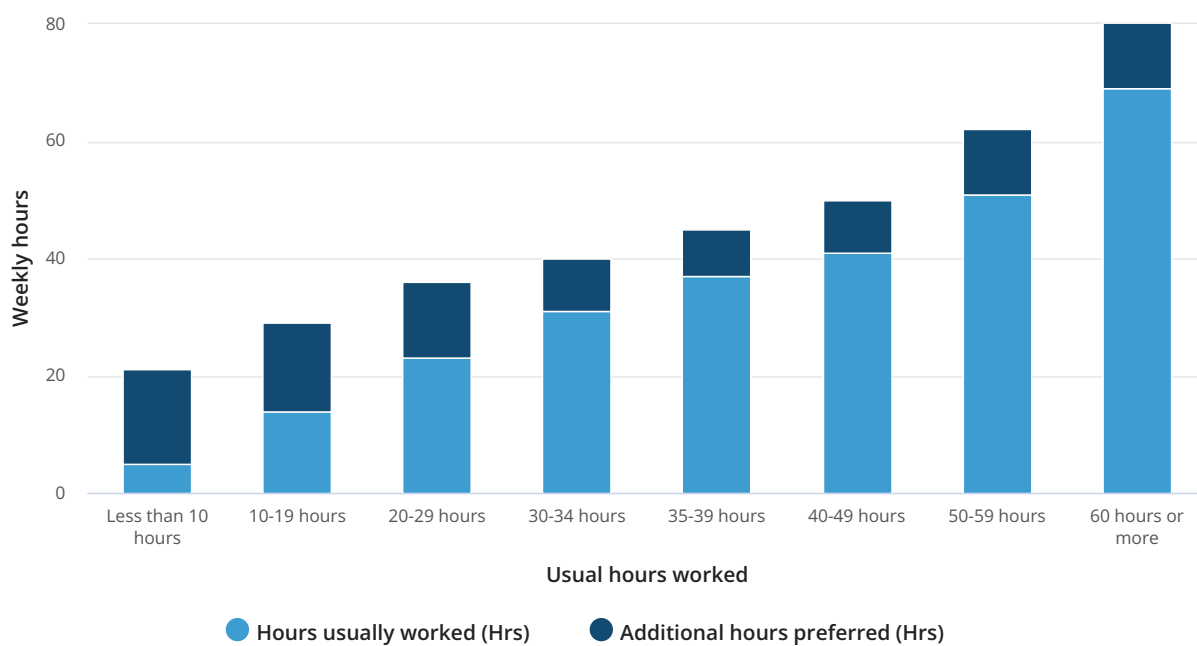
- usually worked 26 hours a week
- would have preferred to work an additional 12 hours a week

People who were underemployed in February 2021 because they had their hours reduced for economic reasons, on average:

- actually worked 16 hours a week

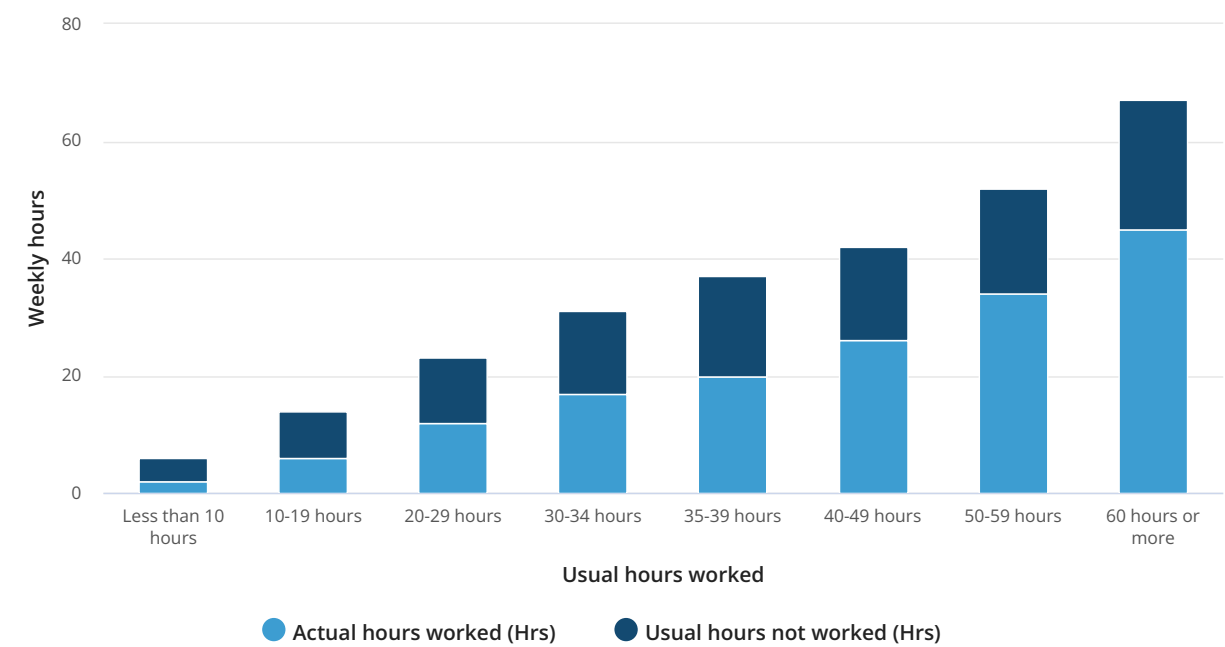
- would have worked an additional 13 hours a week

Chart 11: Prefers more hours, Average hours worked and additional hours preferred, February 2021, Original



Source: Labour Force Survey unpublished data

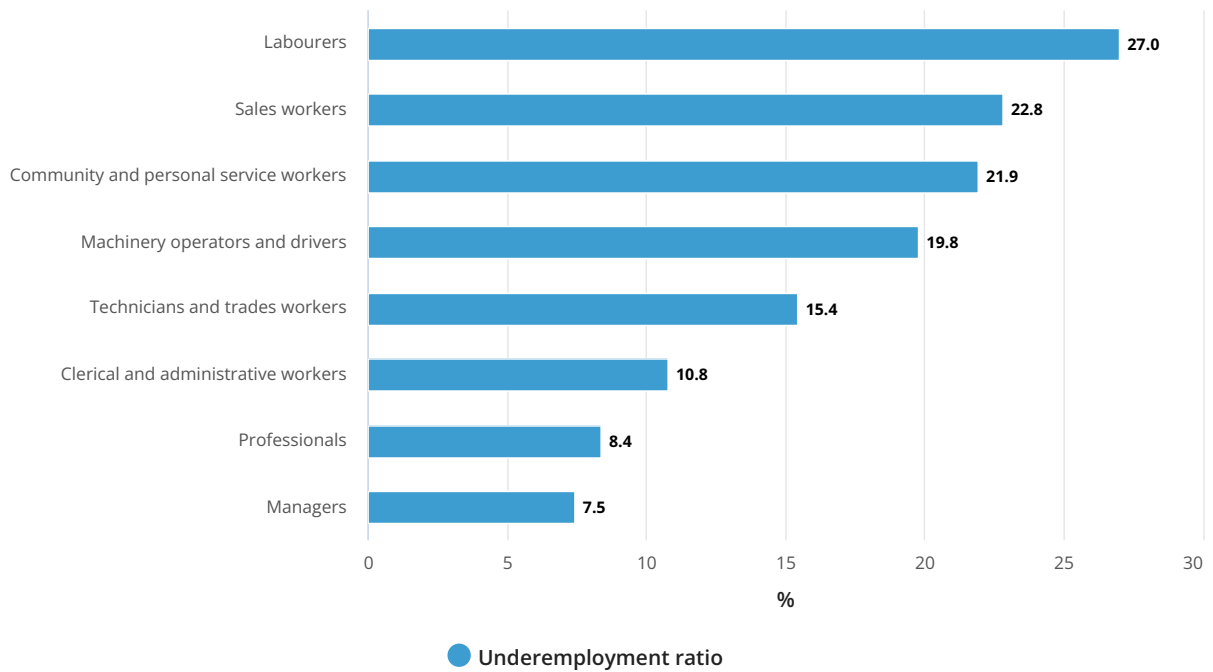
Chart 12: Hours reduced, Average hours worked and hours not worked, by Usual hours, February 2021, Original



Source: Labour Force Survey unpublished data

Occupation

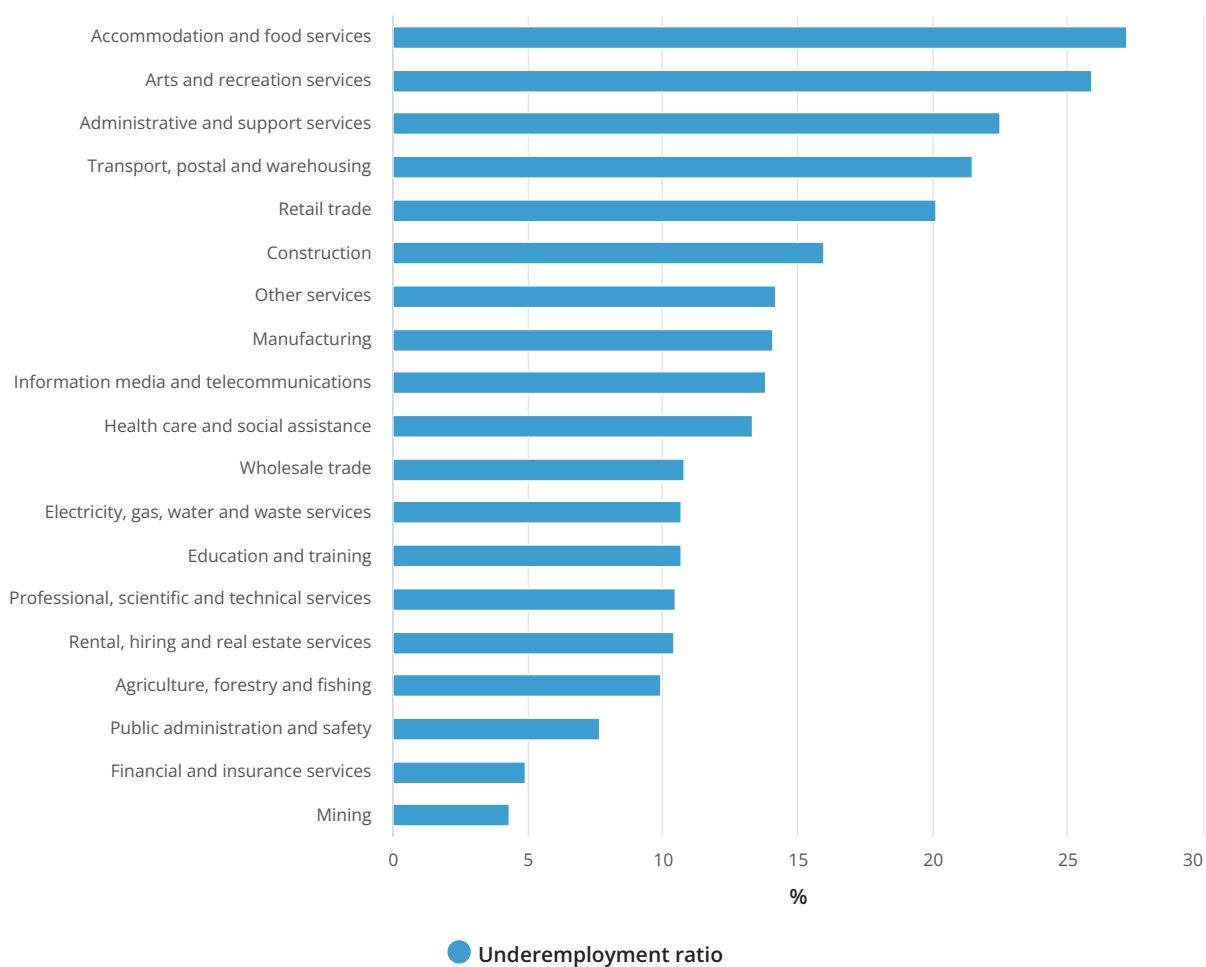
Chart 13: Underemployment ratio, by Occupation, February 2021, Original



Source: Labour Force Survey unpublished data

Industry

Chart 14: Underemployment ratio, by Industry, February 2021, Original



Source: Labour Force Survey unpublished data

Part-time employed who prefer more hours

In February 2021, of the part-time underemployed who preferred more hours:

- just under half (46%) took active steps to look for additional hours
- 46% had been underemployed for a year or more

- if a suitable job had been offered, 14% were prepared to move interstate, and 19% were prepared to move within their state or territory

Data downloads

Data on the key underemployed groups included in Charts 1-4 are based on data published in [Labour Force, Australia \(/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release\)](#) Tables 24 and 25, and [Labour Force, Australia, Detailed \(/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release\)](#) Data Cubes EM2a and EM2b. The following downloads are from the Participation, Job Search and Mobility survey.

Note that the table numbers below are not in sequential order. The numbers relate to the full suite of 22 tables that are published from the [Participation, Job Search and Mobility \(/statistics/labour/employment-and-unemployment/participation-job-search-and-mobility-australia/feb-2021\)](#) (PJSM) survey. These are spread across the three topic based releases: [Job mobility \(/statistics/labour/employment-and-unemployment/job-mobility/feb-2021\)](#), [Potential workers \(/statistics/labour/employment-and-unemployment/potential-workers/feb-2021\)](#), and Underemployed workers. All 22 tables are available from the parent PJSM topic page.

Table 2: Underemployment status of full-time and part-time workers

↓ [Download XLSX](#)
[72.42 KB]

Table 3: Part-time workers who would prefer more hours

↓ [Download XLSX](#)
[74.56 KB]

Table 4: Characteristics of part-time workers who would prefer more hours

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[111.87 KB]

Table 5: Duration of insufficient hours of underemployed part-time workers

↓ [Download XLSX](#)
[308.96 KB]

Table 6: Number of extra hours preferred by underemployed part-time

workers

↓ [Download XLSX](#)
[283.55 KB]

Table 7: Main difficulty in finding more work of underemployed part-time workers

↓ [Download XLSX](#)
[95.05 KB]

Table 21: Populations by state or territory of usual residence

↓ [Download XLSX](#)
[289.02 KB]

Table 22: Extended measures of underutilisation

↓ [Download XLSX](#)
[164.49 KB]

All data cubes

↓ [Download ZIP](#)
[1.16 MB]

Relative standard errors

↓ [Download ZIP](#)
[850.91 KB]

Previous catalogue number

This release uses ABS catalogue number 6229.0*.

Data from this release was previously published in:

- [Participation, Job Search and Mobility, Australia](https://www.abs.gov.au/statistics/labour/employment-and-unemployment/participation-job-search-and-mobility-australia) (<https://www.abs.gov.au/statistics/labour/employment-and-unemployment/participation-job-search-and-mobility-australia>) (6226.0**), 2015-2020
- [Persons Not In the Labour Force, Underemployed Workers and Job Search Experience, Australia](https://www.abs.gov.au/AUSSTATS/abs@.nsf/ProductsbyCatalogue/BBB46A2E9C441282CA257DF40079A913?OpenDocument) (<https://www.abs.gov.au/AUSSTATS/abs@.nsf/ProductsbyCatalogue/BBB46A2E9C441282CA257DF40079A913?OpenDocument>) (6226.0.55.001), 2014
- [Underemployed Workers, Australia](https://www.abs.gov.au/AUSSTATS/abs@.nsf/second+level+view?ReadForm&prodno=6265.0&viewtitle=Underemployed%20Workers,%20Australia~September%202013~Latest~26/02/2014&&tabname=Past%20Future%20Issues&prodno=6265.0&issue=September%202013&num=&view=&) (<https://www.abs.gov.au/AUSSTATS/abs@.nsf/second+level+view?ReadForm&prodno=6265.0&viewtitle=Underemployed%20Workers,%20Australia~September%202013~Latest~26/02/2014&&tabname=Past%20Future%20Issues&prodno=6265.0&issue=September%202013&num=&view=&>) (6265.0), 1985-2013

* Note: Catalogue number 6229.0 was previously used for [Survey of Persons Registered with](#)

[the CES as Unemployed, Mar 1977 \(https://www.abs.gov.au/AUSSTATS/abs@.nsf/ProductsbyCatalogue/79B635A8D57DE773CA258568001276B6?OpenDocument\)](https://www.abs.gov.au/AUSSTATS/abs@.nsf/ProductsbyCatalogue/79B635A8D57DE773CA258568001276B6?OpenDocument).

** Note: Catalogue number 6226.0 was previously used for School Leavers, 1970 to 1974: their Employment Status and Education Experience, May 1975.

Post release changes

6 September 2021:

- Updates to Table 21 - revisions to Population 5: Part-time workers who would prefer full-time hours.
- Updates to sub-section "Underemployment" - The estimate for workers who were in both categories of underemployment (had their hours reduced to less than usual, and also preferred to work more than usual hours) was corrected from 153,000 to 215,000.

Methodology

[Labour Force, Australia methodology, February 2021](#)